

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 896 – SB 1635

March 25, 2011

SUMMARY OF BILL: Prohibits feeding arsenic to chickens in Tennessee or importing chickens that have been fed arsenic in other states. Authorizes the Department of Agriculture to enter any premises to determine if the violation of feeding arsenic to chickens has occurred. Requires forfeiture of all chicken transport conveyances and a fine of \$10,000 for a violation, with each arsenic feeding considered a separate violation. Authorizes the Commissioner to seek injunctive relief from further violation. Defines a violation as an unfair or deceptive act under the Consumer Protection Act, a Class B misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$5,000

Increase State Expenditures - \$5,000

Assumptions:

- According to the Department of Agriculture (TDOA), the Department will obtain feed samples from poultry mills and chicken fecal samples. Based upon information provided by TDOA, the added inspection step is anticipated to be not significant. Any cost for inspections can be accommodated within existing resources.
- It is estimated that five arsenic violations will occur per year. Approximately 10 percent of the fines will be collected. The result will be a recurring increase in state revenue of \$5,000 (\$10,000 fine x 5 violations x 10% collection rate).
- According to TDOA, the increased number of investigations and seizures of conveyances will result in a recurring increase in state expenditures of \$5,000.
- According to the Department of Commerce and Insurance (TDCI), the bill creates an additional specific ground for which the Division of Consumer Affairs will be required to receive, investigate, and mediate consumer complaints.
- Based upon information provided by TDCI, the increase in investigations and complaints is anticipated to be not significant. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes, and costs collected. These expenditures and revenue are estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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